

EXPENSE CONSTANT SUPPLEMENT



State of Wisconsin
Office of the Commissioner of Insurance
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(608) 266-3585

Ref: Section 601.42(2), Wis. Stat.

Insurer Name	NAIC Number	Date
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EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions

	Overall	Variable	Fixed
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A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses, and Fees	_____	_____	_____
D. Underwriting Profit and Contingencies	_____	_____	_____
E. Other (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____

4. A. Expected Loss Ratio: $ELR = 100\% - \text{Overall } 3F$ _____

B. ELR in decimal form _____

C. Variable Expected Loss Ratio $VELR = 100\% - \text{Variable } 3F$ _____

D. VELR in decimal form _____

5. Formula Expense Contract:
 $[(1.00 \div 4B) - (1.00 \div 4D)] \times \text{Average Underlying Loss Cost}$ _____

Formula Variable Loss Cost Multiplier: $(2B \div 4D)$ _____

6. Selected Expense Constant _____

Selected Variable Loss Cost Multiplier _____

7. Explain any differences between 5 and 6:

8. Rate level change for the coverages to which this page applies %